

Message Text

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PAGE 01 MANILA 06120 230705Z
ACTION EB-08

INFO OCT-01 EA-09 ISO-00 FEA-01 ERDA-07 AID-05 CEA-01
CIAE-00 COME-00 DODE-00 FPC-01 H-02 INR-07 INT-05
L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-15 OES-06
SP-02 SS-15 STR-04 TRSE-00 ACDA-10 /112 W
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R 230717Z APR 77
FM AMEMBASSY MANILA
TO SECSTATE WASHDC 8845

UNCLAS MANILA 6120

E.O. 11652: NA
TAGS: ENRG, RP
SUBJ: OIL PRICE INCREASES GRANTED

REF: MANILA 1931

1. THE PHILIPPINE OIL INDUSTRY COMMISSION GRANTED PRODUCT PRICE INCREASES EFFECTIVE APRIL 21 ON NINE PRODUCTS. THE INCREASES WERE IN RESPONSE TO PETITIONS SUBMITTED BY THE OIL COMPANIES BASED ON CRUDE PRICE INCREASES ADOPTED BY OPEC IN DECEMBER 76, AS WELL AS PRODUCTION COST INCREASES. THE AVERAGE WEIGHTED INCREASE IS 10 CENTAVOS PER LITER. OF THIS 4 CENTAVOS WILL GO THE OIL COMPANIES AND 6 CENTAVOS TO THE GOVERNMENT. THE COMPANIES HAS ASKED FOR INCREASES OF 4.8 TO 9 CENTAVOS . THE INCREASE GRANTED IS EXPECTED TO COVER CRUDE COST INCREASES, BUT WILL NOT COVER COST INCREASES IN REFINERY, TRANSPORT, AND FINANCING CHARGES INCURRED SINCE THE LAST PRICE INCREASE GRANTED IN JANUARY 1976 ACCORDING TO INDUSTRY SOURCES.

2. THE SUPPOSED "AGREEMENT" CITED IN REFTEL FELL THROUGH WHEN PETROPHIL CAME IN WITH ITS PETITION ONLY ASKING FOR CURDE PRICE RELIEF.

3. THE ACTUAL INCREASES ARE AS FOLLOWS:
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(CENTAVOS PER LITER)

U.S. CENTS

PERCENT INDUSTRY PER GALLON

OLD PRICE NEW PRICE INCREASE SHARE NEW PRICE

PREMIUM 150.00 181 20.7 4.5 92.09

REGULAR	140.00	166.00	18.6	4.5	84.46
DIESEL	113.00	121.00	4.7	4.2	61.56
KEROSENE	107.00	112.00	4.6	4.3	56.99
AVIATION/TURBO					
FUEL	119.5	149.00	24.7	4.5	75.81
ASPHALT	93.0	97.5	4.8	4.5	49.61
LPG	86.0	92.0	6.9	6.0	46.81
THINNERS &					
SOLVENTS	152.5	182.0	19.3	4.5	92.60
FUEL OIL	75.55	79.05	4.6	3.5	40.32

4. THIS INCREASE IS STILL NOMINALLY "PROVISIONAL" AS THE OPPOSITORS STILL HAVE A CHANCE TO PRESENT POSITIONS BEFORE THE OIC HEARINGS. HOWEVER, THIS PRICE AND TAX STRUCTURE WAS DECIDED UPON BY A JOINT COMMITTEE OF FINANCE, NEDA AND PNOC AND IS EXPECTED TO HOLD. IN A RELATED ACTION THE BOARD OF TRANSPORTATION ANNOUNCED PUBLIC TRANSPORT SECTOR FARE INCREASES THE SAME DAY. IT IS REPORTED THAT FINANCE SECRETARY VIRATA WAS ANXIOUS TO IMPLEMENT THIS PRICE INCREASE FOR THE REVENUES IT WOULD GENERATE. ADDITIONAL REVENUES OF UP TO 525 MILLION PESOS CAN BE EXPECTED, IN 1977.

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NNN

Message Attributes

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Decaption Note:
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Disposition Approved on Date:
Disposition Case Number: n/a
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Disposition Event:
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